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Message Text

SECRET

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14
ACTION NODS-00

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---------- 004673
P 170845Z NOV 76
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC PRIORITY 8657

S E C R E T SECTION 1 OF 2 ISLAMABAD 11939

NODIS CHEROKEE

FOR THE SECRETARY FROM BYROADE

E.O. 11652: GDS
TAGS: PK, US, PFOR, MNUC
SUBJECT: BHUTTO AND REPROCESSING

1. I HAVE REFRAINED FROM SENDING YOU ANY MESSAGES ON REPROCESSING FOR THE LAST SEVERAL MONTHS SINCE I REALIZE WE HAVE BEEN HOLDING DISCUSSIONS WITH THE OTHER SUPPLIERS, INCLUDING THE FRENCH, ON THE GENERAL QUESTION OF NON-PROLIFERATION STRATEGY, AND PAKISTAN IS ONLY ONE PART OF THE LARGER QUESTION. I CONSEQUENTLY DID NOT BELIEVE I SHOULD INTERJECT ANY THOUGHTS ON OUR SPECIFIC PROBLEM WITH THE GOP WHILE YOU WERE WORKING ON THE BROADER ISSUE.

2. A NUMBER OF RECENT EVENTS, HOWEVER, PROMPT ME TO PASS ON TO YOU SOME ADDITIONAL THOUGHTS I HAVE HAD WITH THE HOPE THEY WILL HELP SHARPEN THE FOCUS ON THE SPECIFIC PROBLEM THAT CONCERNS US IN ISLAMABAD - THE FRENCH REPROCESSING PLANT SALE. RECENT NEWSPAPER ARTICLES, INCLUDING THE FARNSWORTH ARTICLE IN THE TIMES AND THE LE MONDE ARTICLE THIS PAST WEEKEND, INDICATE THAT THE FRENCH WOULD BE PLEASED TO FIND A WAY OUT OF THE SALE, BUT THAT THEY ARE NOT YET PREPARED TO PUBLICLY BACK OFF. THE NOVEMBER 15 WIRELESS FILE CARRIES PRESIDENT-ELECT CARTER'S NEWS CONFERENCE IN WHICH HE SAID HE WILL ATTEMPT TO HAVE THE GERMAN-BRAZILIAN AND FRENCH-PAKISTAN REPROCESSING SALES "ABROGATED" AND THAT HE UNDERSTOOD ONE OF THEM MAY BE DROPPED
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IN ANY CASE. ALSO, SINCE I LAST SENT YOU MY IDEAS ON RE-

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PROCESSING, WE SEEM TO HAVE REACHED AGREEMENT WITH THE
FRENCH AND THE OTHER SUPPLIERS ON STOPPING THE FURTHER
TRANSFER OF REPROCESSING TECHNOLOGY TO THE DEVELOPING
WORLD. RATHER THAN BEING THE FIRST OF PERHAPS MANY CASES
OF REPROCESSING PLANT SALES, PAKISTAN AND BRAZIL APPEAR
TO HAVE BECOME ISOLATED CASES WHICH IN LIGHT OF CHANGING
ATTITUDES AMONG SUPPLIER NATIONS MOST PROBABLY WILL NOT
BE REPEATED.

3. AS I MENTIONED TO YOU IN ISLAMABAD 9079, I BELIEVE
BHUTTO FOR HIS OWN POLITICAL REASONS WHICH HE CONSIDERS COM-
PELLING, IS SOLIDLY DUG IN ON THE SALE. IF THE INITIATIVE
COME FROM THE FRENCH HE WILL, OF COURSE, HAVE NO CHOICE
BUT TO ACQUIESCE. WE CANNOT EXPECT BHUTTO, HOWEVER,
TO AGREE TO EITHER CANCEL OF INDEFINITELY POSTPONE
THE SALE ON HIS OWN INITIATIVE. IF WE ARE UNABLE TO
TURN THE FRENCH AROUND, AND THE SALE GOES AHEAD AS PLANNED,
I STILL BELIEVE WE ARE LEFT WITH THE DILEMMA MENTIONED
IN ISLAMABAD 9079. FACED WITH A FRENCH SALE, WE CAN TAKE
PUNITIVE ACTION AGAINST PAKISTAN INCLUDING CUTTING OFF
AID, STOPPING MILITARY SALES AND GENERALLY INITIATING A
DOWNWARD SPIRAL IN US/PAK RELATIONS WITH UNFORESEEABLE
CONSEQUENCE. OR WE CAN LIVE WITH THE INEVITABILITY OF
THE SALE AND TIE IT UP SO TIGHTLY IN SAFEGUARDS THAT IT
BECOMES IN EFFECT A WHITE ELEPHANT FOR BHUTTO AND AN OBJECT
LESSON TO ANY OTHER STATES THAT MIGHT BE CONSIDERING
ATTEMPTING TO OBTAIN REPROCESSING TECHNOLOGY. BHUTTO HAS
GIVEN US THE OPENING TO DO JUST THAT IN HIS OFFER TO ADD
ANY ADDITIONAL SAFEGUARDS WE CONSIDER NECESSARY. HE HAS,
IN EFFECT, OFFERED TO HAVE THE PLANT SO SEVERELY CIRCUMSCRIBED
THAT THE NUCLEAR OPTION WILL BE PROHIBITIVELY EXPENSIVE,
POLITICALLY AND DIPLOMATICALLY, FOR HIM TO PURSUE. NOT
INSIGNIFICANTLY, FOLLOWING THIS APPROACH WOULD ENABLE US
TO MAKE A STRONG ARGUMENT TO THE CONGRESS THAT THE PURPOSE
AND SPIRIT OF THE SYMINGTON AMENDMENT HAVE BEEN FULFILLED.

4. NOW THAT WE SEEM TO HAVE REACHED AGREEMENT WITH THE
OTHER SUPPLIERS ON RESTRICTING THE EXPORT OF REPROCESSING
TECHNOLOGY, WE CAN LOOK AT THE PAKISTANI SALE AS A UNIQUE
OCCURRENCE AND ONE THAT WE CAN ISOLATE, ENCAPSULATE AND
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SAFEGUARD SO CLOSELY THAT IT WILL NOT THREATEN OUR NON-
PROLIFERATION OBJECTIVES. I BELIEVE IT IS IN OUR INTERESTS
TO ATTEMPT THAT RATHER THAN PUNISH PAKISTAN FOR THE PURCHASE.
THE ONLY RESULT OF A PUNISHMENT STRATEGY WOULD BE TO PUSH
PAKISTAN EVEN FASTER IN THE DIRECTION WE WANT TO AVOID --
OBTAINING A NUCLEAR OPTION.

5. IF, HOWEVER, YOU ARE SUCCESSFUL WITH THE FRENCH IN

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ACHIEVING AN ABROGATION OF THE SALE, IT WILL HAVE TO BE
HANDLED VERY CAREFULLY IN PAKISTAN TO ENSURE THIS CHAPTER
IN OUR RELATIONS IS CLOSED AS QUETLY AND QUICKLY AS POSSIBLE
SO WE CAN MOVE AHEAD WITH A MINIMUM OF ACRIMONY. WE SHOULD
NOT UNDERESTIMATE THE BITTERNESS WITH WHICH BHUTTO WILL
GREET WORD THAT THE SALE IS OFF. ALTHOUGH HE MAY IN PART
BE RELIEVED TO BE OUT OF THE DILEMMA, HE HAS POLITICALLY
TIED HIMSELF SO CLOSELY TO SEEING THE SALE THROUGH IT WILL
BE A MAJOR LOSS OF FACE FOR HIM DOMESTICALLY AND, HE
BELIEVES, A CONSIDERABLE BLOW TO HIS PRESTIGE IN THE
THIRD WORLD. WE MUST DO ALL WE CAN TO CONVINCE HIM
THAT IT IS IN OUR MUTUAL INTEREST TO CONSIDER THE
ISSUE FINISHED AND TO LOOK FOR WAYS TO CONTINUE TO
WORK TOGETHER IN THE DAYS AHEAD. I CONSEQUENTLY RECOMMEND
THAT, IF THE SALE IS CANCELLED, WE TAKE THE FOLLOWING
STEPS TO LIMIT THE DAMAGE TO US/PAK RELATIONS AND HAVE
A FOUNDATION FOR FUTURE COOPERATION.

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ACTION NODS-00

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---------- 015073
P 170835Z NOV 76
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC PRIORITY 8658

S E C R E T SECTION 2 OF 2 ISLAMABAD 11939

NODIS CHEROKEE

FOR THE SECRETARY FROM BYROADE

6. IT WILL BE ESSENTIAL TO INFORM BHUTTO BEFORE ANY
PUBLIC ANNOUNCEMENT IS MADE THAT THE SALE IS OFF. EVEN IF
THE FRENCH DO THIS ON THEIR OWN, AS WE ASSUME THEY WOULD,
WE SHOULD TELL HIM AS WELL. I BELIEVE THE BEST VEHICLE
FOR SUCH A MESSAGE WOULD BE A PERSONAL LETTER FROM THE
PRESIDENT TO THE PRIME MINISTER. THE PRESIDENT COULD
REFER TO YOUR MEETING WITH BHUTTO IN AUGUST AND NOTE THAT
AS YOU TOLD THE PM, WE HAVE SPOKEN WITH THE FRENCH IN AN

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ATTEMPT TO FIND A WAY OUT OF THE REPROCESSING ISSUE.
THE SALE HAS CONSEQUENTLY BEEN CONCALLED, AND ALTHOUGH
THE DECISION WAS MADE BY THE GOF, WE ASSUME SOME OF THE
RESPONSIBILITY FOR ENCOURAGING THE FRENCH TO FOLLOW THAT
COURSE AS PART OF OUR WORLDWIDE EFFORT TO DETER THE
PROLIFERATION GF PLUTONIUM TECHNOLOGY SPELLED OUT IN THE
OCTOBER POLICY STATEMENT. THE PRESIDENT COULD ALSO NOTE
THAT HE RECOGNIZES THE PROBLEMS THE FRENCH DECISION MAY
HAVE CAUSED THE PRIME MINISTER. WE WOULD EXPRESS
THE HOPE AND EXPECTATION THAT WITH THAT ACTION, AN
ISSUE WHICH ENGENDERED SOME ACRIMONY CAN NOW BE PUT
BEHIND US. WE ARE INTERESTED IN LOOKING FOR WAYS TO
REAFFIRM OUR INTEREST IN CLOSE AND CORDIAL TIES WITH
PAKISTAN. THE PRESIDENT COULD THEN REFER TO YOUR
CONVERSATION WITH BHUTTO AND REAFFIRM OUR INTEREST
IN EXPLORING WAYS TO COOPERATE WITH PAKISTAN IN THE
NUCLEAR ENERGY FIELD SPECIFICALLY AND MEETING PAKISTAN'S
ENERGY NEEDS GENERALLY.
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7. I BELIEVE THAT IN THIS CONTEXT IT WOULD ALSO BE THE RIGHT
TIME TO TELL BHUTTO THAT WE PLAN TO BE ABLE TO MOVE AHEAD
WITH THE A-7 SALE TO PAKISTAN. I RECOGNIZE THIS WOULD REQUIRE
COORDINATING OUR APPROACH WITH THE INCOMING ADMINISTRATION
SINCE ANY A-7 REQUEST WOULD STILL BE ON THE HILL AFTER
JANUARY 20. ELIMINATION OF THE REPROCESSING BUY WILL
MEAN BHUTTO NO LONGER HAS THE NUCLEAR OPTION. IT IS AT THAT
MOMENT WE SHOULD DEMONSTRATE WE ARE SINCERE IN HELPING
PAKISLAN MEET ITS LEGITIMATE DEFENSIVE NEEDS. THE BEST
EARNEST OF THAT POLICY WOULD BE AN AGREEMENT TO SELL
THE A-7 AIRCRAFT.

8. IT IS ESSENTIAL THAT SUCH A LETTER ARRIVE BEFORE
WORD LEAKS OUT ABOUT THE CANCELLATION. IF BHUTTO
REACTS TO THE CANCELLATION BEFORE HE HEARS FROM US, HE
MAY WELL BE INTEMPERATE AND SAY THINGS WHICH WILL MAKE
IT DIFFICULT FOR US TO BE FORTHCOMING WITH PAKISTAN IN THE
FOLLOWING DAYS. WITH PROPER PREPARATION, HOWEVER, I BELIEVE
WE CAN MINIMIZE DAMAGE TO US/PAK RELATIONS AND FINALLY
CLOSE THE BOOK ON THE REPROCESSING ISSUE.
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